

By: Watson

S.B. No. 1315

A BILL TO BE ENTITLED

AN ACT

relating to definition of an at-risk development for the low income housing tax credit program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2306.6702(a)(5), Government Code, is amended to read as follows:

(5) "At-risk development" means:

(A) a development that:

(i) has received the benefit of a subsidy in the form of a below-market interest rate loan, interest rate reduction, rental subsidy, Section 8 housing assistance payment, rental supplement payment, rental assistance payment, or equity incentive under the following federal laws, as applicable:

(a) Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. Section 1715l);

(b) Section 236, National Housing Act (12 U.S.C. Section 1715z-1);

(c) Section 202, Housing Act of 1959 (12 U.S.C. Section 1701q);

(d) Section 101, Housing and Urban Development Act of 1965 (12 U.S.C. Section 1701s);

(e) the Section 8 Additional Assistance Program for housing developments with HUD-Insured and HUD-Held Mortgages administered by the United States Department of Housing

1 and Urban Development as specified by 24 C.F.R. Part 886, Subpart A;
2 (f) the Section 8 Housing Assistance
3 Program for the Disposition of HUD-Owned Projects administered by
4 the United States Department of Housing and Urban Development as
5 specified by 24 C.F.R. Part 886, Subpart C;

6 (g) Sections 514, 515, and 516, Housing Act
7 of 1949 (42 U.S.C. Sections 1484, 1485, and 1486); or

8 (h) Section 42, Internal Revenue Code of
9 1986 (26 U.S.C. Section 42); and

10 (ii) is subject to the following conditions:

11 (a) the stipulation to maintain
12 affordability in the contract granting the subsidy is nearing
13 expiration; or

14 (b) the federally insured or HUD-Held
15 mortgage on the development is eligible for prepayment or is
16 nearing the end of its term; or

17 (B) a development that proposes to rehabilitate or
18 reconstruct housing units that:

19 (i) are owned by a public housing authority and
20 receive assistance under Section 9, United States Housing Act of
21 1937 (42 U.S.C. Section 1437g); or

22 (ii) received assistance under Section 9, United
23 States Housing Act of 1937 (42 U.S.C. Section 1437g) and:

24 (a) are proposed to be disposed of or
25 demolished by a public housing authority; or

26 (b) have been disposed of or demolished by a
27 public housing authority in the two-year period preceding the

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1 application for housing tax credits.

2 SECTION 2. This Act takes effect September 1, 2015.